

3.0 COMMUNITY OUTREACH

Over the past eighteen months, Duke Energy has been engaged in an unprecedented level of public outreach regarding its plan for modernization of the Morro Bay Power Plant (MBPP). The public outreach program covers numerous aspects of Duke Energy's plans for the future of MBPP. The program has also utilized every conceivable means of communicating with interested parties including, but not limited to: community meetings, official city meetings, meetings with county officials and special groups, newsletters, public workshops, e-mail chat groups, open houses, neighborhood and business chats, technical advisory group meetings, business advisory group meetings, presentations, videos, and use of print media.

The program should also be seen as a continuing means of communicating with the public regarding Duke Energy's Application for Certification (AFC) as well as the planned construction and operation phases of the plant modernization. The program underscores Duke Energy's ability and commitment to make hard and creative decisions to revise previous thinking about the Project, and to take the community seriously as a partner in building the future power plant.

Unlike the public relations programs normally associated with large public works projects, Duke Energy, along with the City of Morro Bay, has created a locally supported public participation program. Its purpose has been to describe all aspects of the modernization Project as well as elicit public input through workshops, hearings and other forums concerning the Project and process for developing and evaluating the revised modernization plans. The public participation program consists of the following:

- Memorandum of Understanding (MOU) between the City of Morro Bay and Duke Energy
 - MOU Overview
 - Description of MOU
 - Implementing the pre-application process
 - Key finding of the pre-application process: concern about "public information"
- Countywide Outreach Efforts
- Environmental Leaders Group/Meetings
- San Luis Obispo County Chumash Council/Duke Energy Memorandum of Agreement (MOA)
- Latino Outreach Efforts

Appendix 3-1 includes pertinent documents regarding these programs. These programs are discussed in the sections below.

3.1 MEMORANDUM OF UNDERSTANDING (MOU)

3.1.1 MOU OVERVIEW

Figure 3-1 highlights some of the key milestones and events regarding Duke Energy's efforts in working with the City of Morro Bay on the modernization Project. Duke Energy filed an initial AFC in August 1999 with the California Energy Commission (Commission). In September 1999, the City of Morro Bay expressed concerns about Duke Energy's proposal which, at that time was radically different than the Project proposed today. The original proposal kept Units 3 and 4 operating indefinitely, replaced Units 1 and 2 with construction of one combined cycle unit in the onsite tank farm area, and the demolition of the 450-foot-tall stack for Units 1 and 2 (see also Chapter 1.0 - Executive Summary and Chapter 2.0 - Project Description). After hearing concerns from the City of Morro Bay and the community, Duke Energy voluntarily withdrew its AFC in October 1999.

Beginning in November 1999 and continuing through February 2000, the City of Morro Bay, in coordination with Duke Energy, held 11 public workshops, hearings, forums, and site visits to allow for community input. In addition, Duke Energy continued with its own community outreach efforts including "Duke Chats," "Neighborhood Chats," newspaper advertisements and letters to the community. Throughout this time, Duke Energy and the City of Morro Bay met on numerous occasions to discuss the local concerns. This culminated with an agreement by Duke Energy and the City of Morro Bay to develop a MOU which would identify goals, create a public participation process, and establish mutual agreements and commitments by Duke Energy for a newly designed modernization Project. On February 28, 2000, the Morro Bay City Council voted to adopt the MOU.

The "Pre-Application Process," as specified by the MOU, began upon the signing of the MOU. This structured collaborative process opened the door for additional local input, workshops, and City of Morro Bay staff and consultant review. Standing by its commitment to work with the community through the MOU, Duke Energy better defined the Project and made public commitments to this effect. A June 21, 2000 letter from Duke Energy to Mayor Anderson (see Figure 3-2) reads in part, "Duke hereby makes several, substantive proposals today to address the City's major concerns. *Of greatest significance for the City is Duke's proposal, subject to Duke receiving the City's support and cooperation in connection with the revised AFC,*

ACTIVITY	YEAR/MONTH																	
	1999					2000												
	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
Duke Energy Filed Original AFC	▲																	
Duke Energy Withdraws the AFC			▲															
Duke Energy and City of Morro Bay Sign MOU							▲											
MOU Implemented: 120 Day Pre-Application Process (Including Public Workshops)								▲	—			▲						
City of Morro Bay Staff Reports to Council on Pre-Application Process											▲							
Duke Energy Modifies Project in Letter to the City of Morro Bay											▲							
City of Morro Bay Summarizes Issues of Concerns in a Letter to Duke Energy												▲						
Duke Energy Prepares Revised AFC											▲	—			▲			
City of Morro Bay Staff Previews AFC with Duke Energy														▲	—	▲		
Duke Energy Files AFC with California Energy Commission															▲			

TIME LINE OVERVIEW MORRO BAY POWER PLANT MODERNIZATION AFC

DUKE ENERGY MORRO BAY LLC
MORRO BAY POWER PLANT

TRC

FIGURE 3-1



Duke Energy
North America, LLC
5400 Westheimer Ct.
Houston, TX 77056-5310

P. O. Box 1642
Houston, TX 77251-1642
(713) 627-6300

June 21, 2000

Hon. Rodger Anderson
Mayor, City of Morro Bay
595 Harbor Street
City of Morro Bay, CA 93442

Re: Morro Bay Power Plant Modernization Project

Dear Mayor Anderson:

Much progress has been made during the past several months on the modernization plans for the Morro Bay Power Plant. I am certain that everyone involved agrees wholeheartedly on the importance of bringing closure to the pre-application input process called for by the MOU, and moving to the next step: the California Energy Commission (the "CEC") process. This letter will confirm the proposals Duke Energy Morro Bay LLC ("Duke") is making to the City regarding the revised Application for Certification ("AFC") Duke plans to file with the CEC in August.

Duke hereby makes several, substantive proposals today to address the City's major concerns. *Of greatest significance for the City is Duke's proposal, subject to Duke receiving the City's support and cooperation in connection with the revised AFC, to submit the AFC as a single-phase modernization project.* Duke makes this proposal, in large part, because of your persistence and persuasiveness in pointing out the overwhelming logic of this direction, despite significant economic and development risks for Duke. Many benefits will accrue to the City from such a single-phase modernization project including:

- Environmental benefits will accrue to the City and region earlier than previously proposed.
- The existing plant will be demolished sooner. Duke's goal is for the modernized plant to be operational by the year 2003, with a processing of the AFC by the participating parties within the time frame that will support such schedule. It is possible that demolition of the existing plant could begin soon after operations at the modernized plant commence, and be completed in the 2007 time frame.
- A shorter construction period will lessen potential overall impacts associated with all construction activities.
- Coastal access goals may be achieved sooner and with potentially more creativity and enhancement.
- Economic benefits as proposed by the MOU will begin to accrue to the City at an earlier date.

At the same time, it is critical for the City to understand and acknowledge that a single-phase modernized project is a significant financial commitment for Duke. As I am sure the City can

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Mayor, City of Morro Bay
June 21, 2000
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appreciate, accelerating the depreciation expense associated with a single-phase project against an otherwise permanent asset, the requirement for a much larger and earlier capital investment by Duke, and the costs attributable to implementing an accelerated plant demolition program each have significant negative financial impacts on Duke.

As requested by Council, Duke met with City Staff on Tuesday, June 20th, to discuss the draft City Staff recommendations that Duke will use, in part, in preparing the revised AFC. Duke and the City Staff also began discussions regarding more specific action items required of the City and by Duke of importance to both parties, and ways in which Duke and the City can interact more effectively in the future to accomplish mutual objectives.

Additionally, Duke has agreed to several programs to ensure that the proposed modernized project improves the City's infrastructure and services. Duke reaffirms its agreement, as set forth in the MOU, to negotiate a revenue agreement with the City, which would provide the City with \$2,000,000 each year in funding to help stabilize and enhance City revenues. Duke has also agreed to work with the City to improve fire, police, traffic and water services as those services relate to the proposed modernization. Duke has also agreed to a reasonable cost reimbursement mechanism to ensure that the City is reimbursed for project related expenses that are billed on a current, verifiable basis during the construction period.

Additionally, the modernization continues to be a mechanism by which the overall visual aesthetics of the City will be improved by the proposed removal of the existing facilities and the construction of the more visually pleasing modernized plant.

In making these proposals to you today, Duke simply asks that the City of Morro Bay support and work with Duke to accomplish the mutual benefits inherent in the modernization proposal. The proposals made by Duke today, to be successfully implemented, will require that the City and Duke work as partners in order to meet the schedule necessary for the modernization to go forward, and to avoid the expenditure of unnecessary and excess costs by both parties. It must be absolutely clear to everyone involved that time is of the essence if the modernization is to be successfully completed in order to ensure that the competitive marketplace continues to provide to Duke the ability to offer such benefits to the City, including the possibility of implementing a single-phase project.

It is important to emphasize that no other AFC applicant has made these sorts of proposals to a city in connection with such a project. The CEC's process does not mandate the level of applicant/city interaction as is provided by the MOU or that has actually occurred between Duke and the City Staff throughout this past year. The proposals and agreements that have been made by Duke far exceed the framework proposed by the MOU, which simply stated that Duke would have the benefit of the City's issues ahead of filing the AFC "in time for Duke to consider them in preparing the revised AFC." The MOU only asked that Duke "consider such comments in good faith." Instead, Duke has made significant additional concessions, financial and otherwise,

Hon. Rodger Anderson
Mayor, City of Morro Bay
June 21, 2000
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in order to address the City's major concerns, by proposing a single-phase modernization in exchange for the City's support and cooperation in connection with the revised AFC. If such a result is to be achieved, it is imperative that all those interested in the City recognizing the greatest overall benefit now bring a balanced perspective as to how that benefit can best be achieved for the City. In order for the City to gain the benefits of the proposed modernization, it is critical that the City now begins taking the actions necessary to enable Duke to move the process forward. In that regard, Duke asks for your participation in the process, together with the continuing oversight of the Council to ensure that Duke has communicated its specific needs clearly, and that reasonable and appropriate City actions will be forthcoming.

Duke continues to bring substantive and beneficial measures to the table to address the concerns of the City. As set forth in the MOU, it is now the time for the City Council to declare the pre-application process complete and to allow the process to move forward to the preparation of the revised AFC.

Sincerely,


Brad Portier

BP/hh
cc: Vice-Mayor Dave Elliott
Council Members, Colby Crotzer, Bill Peirce and Janice Peters

to submit the AFC as a single-phase modernization project. Duke makes this proposal, in large part, because of your persistence and persuasiveness in pointing out the overwhelming logic of this direction, despite significant economic and development risks for Duke."

A July 13, 2000 letter from the City Council of Morro Bay followed Duke Energy's June 21 letter (see Figure 3-3). This letter highlighted the key Project elements that the City of Morro Bay would like to see in Duke Energy's Project. While in some minor instances the July 13 letter may overstate the nature of Duke Energy's plan by not providing the appropriate and key qualifications⁽¹⁾, the letter nonetheless shows that Duke Energy's plans and the City of Morro Bay's interests are well-aligned and that the community and Duke Energy have a common vision for the Project.

Also of note, on June 26, 2000, the Morro Bay City Council accepted the recommendations for the Project as compiled by City of Morro Bay staff and directed them to transmit the recommendations to Duke Energy for consideration in its revised application to the Commission.

A measure of success from the Pre-Application Process can be seen in the current Project design which involves demolishing the existing power building and stacks for Units 1 through 4, and replacing them with a visually less obtrusive and more environmentally sensitive design utilizing the latest clean burning natural gas generating technology.

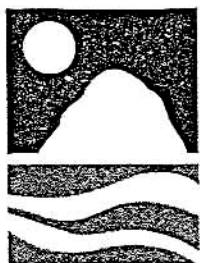
3.1.2 DESCRIPTION OF MOU

On February 28, 2000, Duke Energy and the City of Morro Bay reached mutual agreement on a process for Project development of the revised MBPP modernization plans. As stated in the MOU, Duke Energy and the City of Morro Bay entered into the MOU to achieve the following goals:

- ***Resolve Issues Cooperatively:*** To agree to resolve outstanding issues with respect to the proposed Plant modernization cooperatively and to allow for meaningful, early City and community input into the revised AFC with the goal of developing a modernization plan which the City and Duke Energy can both support.

⁽¹⁾ For example, the July 13, 2000 letter states that the City of Morro Bay would like the stacks removed by 2004. Duke Energy is committed to tearing down the stacks as the first part of the demolition program. The point is that program milestones are not fixed with specific calendar dates, but are driven by permitting and construction timelines.

- ***Provide Early Opportunities for Local Input:*** To afford additional opportunities for City and public input on the modernization Project prior to the filing of the revised AFC with the Commission.
- ***Prepare a Long - Term Plan:*** To agree on a process for local review which will result in the preparation of a Development Agreement with a long-term Plan for the site including the demolition of the three existing stacks and the existing turbine/boiler building.
- ***Demolish the Existing Plant and Replace with a State of the Art Facility:*** To remove the existing power building entirely no later than December 31, 2015 at the sole cost and expense of Duke Energy and to assure that any facility which replaces it is (i) physically smaller, (ii) located farther from the City's waterfront, and (iii) uses state of the art technology.
- ***Demolish Existing Oil Tanks:*** To remove the existing oil tanks located on MBPP at the sole cost and expense of Duke Energy and to clarify the permit process for the tank removal.
- ***Provide Consistency with Local Regulations:*** To ensure that the modernization and redevelopment of the MBPP will conform to applicable local laws, ordinances, regulations and standards [LORS].
- ***Protect Environmental Resources:*** To ensure that any potentially significant adverse environmental impacts of the modernization are fully addressed and any significant adverse impacts which are determined to exist are mitigated.
- ***Protect Marine Resources:*** To ensure that any potentially significant adverse environmental impacts on marine resources are fully addressed and mitigated as required by the Commission, the Regional Water Quality Control Board, and other applicable regulatory agencies such that as mitigated the modernization project will not have a significant adverse impact on marine biological resources.
- ***Protect Public Health and Safety:*** To ensure that the modernization plan complies with Commission and San Luis Obispo County Air Pollution Control District (APCD) requirements to ensure it does not pose any significant risks to public health and safety generally and specifically that it does not pose any significant risk to the citizens of Morro Bay resulting from actual air emissions within the City (regardless of any APCD required emission offsets); also, to recognize that with implementation of APCD requirements for the modernization Project, the Project is expected to result in an overall improvement in air quality over existing conditions.
- ***Guarantee Financial Benefits for the Community:*** To provide clarity as to the effect of the Plant and its modernization on the fiscal circumstances of the City.



City of Morro Bay

Morro Bay, CA 93442 • 805-772-6200

July 13, 2000

Mr. Brad Porlier, Vice President
Duke Energy North America, LLC
5400 Westheimer Court
Houston, TX 77056-5310

Dear Mr. Porlier:

On June 26, 2000, the Morro Bay City Council unanimously (member Crotzer was absent) accepted the attached document providing the City's pre-application recommendations to Duke Energy and authorized staff to transmit those recommendations to Duke for consideration as the new application for certification (AFC) is prepared for the California Energy Commission (CEC). These recommendations were developed through the pre-application process established by the Memorandum of Understanding (MOU) between Duke Energy and the City of Morro Bay. The recommendations represent input from the City's review team, city staff, and the public and include the public feedback forms collected at the three public workshops held on May 11, 13 and 16. Pursuant to the MOU, we ask Duke to give these recommendations, and all of the comments made by the public during this process, serious consideration as the new AFC is prepared. We expect that the City's recommendations will be incorporated into the new project where it is feasible and practicable to do so, and if they are not, we would like an explanation as to why they could not be implemented. City Staff will continue to work with your team to provide any further clarifications to the City's recommendations that prove to be necessary while the revised AFC is being prepared. Staff also looks forward to having an early opportunity to examine a draft of the AFC before it is resubmitted to the CEC.

The City of Morro Bay would also like to formally acknowledge the cooperation that Duke Energy has shown in participating in, and providing funding for, this extensive pre-application process. Even before you complete preparation of the new AFC, it is encouraging to see that Duke Energy is listening to the City's concerns and agreeing to make a number of major new commitments of great importance to the community. As we understand them, these commitments now include:

- Completing the project in a single phase over a 7 year period of time rather than multiple phases over a 15 year period of time;
- Demolishing the existing on-site fuel oil tank farm as soon as possible, projected by 2001;
- Demolishing the three existing 450 foot tall concrete stacks by 2004 ;
- Refurbishing the existing building on the bayfront housing the sea-water intake structure to make it architecturally compatible with the City's waterfront design guidelines by 2004;
- Demolishing the rest of the existing power plant by 2007 and committing to non-industrial use of the former plant site.
- Cooperating with the City to implement the City's Waterfront Master Plan for areas adjoining the power plant site, including bicycle and pedestrian paths, boardwalks, landscaping, and designation of lands for public use;
- Entering into a Memorandum of Agreement with local native American groups to address issues of concern;


FINANCE 595 Harbor Street	ADMINISTRATION 595 Harbor Street	FIRE DEPARTMENT 715 Harbor Street	PUBLIC SERVICES 590 Morro Bay Boulevard
HARBOR DEPARTMENT 1275 Embarcadero	POLICE DEPARTMENT 850 Morro Bay Boulevard	RECREATION AND PARKS 1001 Kennedy Way	

- Agreeing to address the City's public service concerns with respect to police, fire, utilities, roads, public facilities, etc., related to demolition and construction of the project by providing for project design features, mitigation and/or funding acceptable to the City to address these issues;
- Using construction and demolition techniques that will minimize noise impacts on the community such as the "quiet" pile-driving technology;
- Considering community input in developing exterior treatments/landscaping concepts for the project so that the visual impacts of the project are minimized;
- Agreeing to a complete and thorough evaluation of any feasible alternatives that can eliminate or further reduce any environmental impacts of the project;
- Agreeing to expand public information and outreach efforts during the CEC process as recommended by the City;

These new commitments are in addition to the previous commitments included in the MOU, such as the revenue guarantees to the City and the preparation of a long-term land use plan for the site. These new commitments signal a major change in the direction of this project that is welcomed and supported by the City Council and myself.

I and the Morro Bay City Council are delighted that Duke Energy is willing to work constructively with the City and community to develop a project that is expected to provide numerous benefits to the City and the region. We hope to continue to have a productive dialogue with Duke Energy throughout the CEC review process and through development of the long-term plan for the site. We are serious in our resolve to implement the goals and terms of the MOU so that the project that emerges through the CEC review process is one that the City can enthusiastically support.

Sincerely,


Rodger Anderson
Mayor


Bill Peirce
Vice-Mayor


Janice Peters
Councilmember


Dave Elliott
Councilmember

Cc: City Council Members
City Attorney
City Manager
Department Heads
David Madway, SMRH

Senator Jack O'Connell
Assemblyman Abel Maldonado
Supervisor Shirley Bianchi
Bob Carr, San Luis Obispo County Air Pollution Control Officer
Roger Briggs, Executive Officer, Regional Water Quality Control Board
Executive Director, California Energy Commission
Executive Director, California Coastal Commission
Vic Hollanda, Director of Planning & Building, San Luis Obispo County

- ***Resolve Outfall Easement Lease Issues Cooperatively:*** To clarify the use by Duke Energy of City-administered, State owned, Public Trust lands for the Plant's cooling water pipeline and outfall (the "Outfall Area") and to agree on the essential terms and conditions of the renewal of the agreement (the "Outfall Agreement") under which Duke Energy utilizes the Outfall Area.
- ***Promote Cooperation between Regulatory Agencies:*** To facilitate coordination between the Commission's and the City's review process.
- ***Support Duke Energy Investment of Capital for Modernization:*** To enable Duke Energy to justify to its shareholders, investing over \$600 million in such removal and replacement by: (i) permitting a replacement facility that is reliable, economic and competitive in California's newly restructured, competitive electric market, and (ii) establishing a schedule for such removal and replacement which is reasonable.

Essentially, the MOU has enabled the City of Morro Bay and Duke Energy to proceed with a pre-application review process that has helped shape key aspects of the Project. As stated in the MOU the City "desires adequate opportunity for input into the revised AFC, preparation of a locally approved long term plan for site development, including a commitment that the three stacks and the turbine/boiler building comprising the existing power plant be demolished. The City also desires that Duke Energy agree to assure the City of Morro Bay a long term guaranteed revenue source, all in connection with the modernization Project." "Duke Energy desires to start and complete its modernization program as quickly and economically as possible, to amortize its acquisition cost for the Plant by operating the existing Units for a reasonable period of time, and to enter into a new Outfall Agreement when the current Outfall Agreement expires on November 15, 2004."

In addition, "the MOU is also intended to provide guidance to the public regarding how Duke Energy intends to proceed in modernizing the MBPP and how the City intends to proceed in reviewing Duke Energy 's plans." Also, the MOU sets forth the conceptual approach that the City of Morro Bay and Duke Energy envisioned for the long term plan at the site. The Commission's process were left open for more input from the community - hence the City of Morro Bay Pre-Application process.

3.1.3 IMPLEMENTING THE PRE-APPLICATION PROCESS

As called for by the MOU, a Pre-Application Process was the first major collaborative step between the City of Morro Bay and Duke Energy on modernization plans. At the June 12, 2000 City Council meeting, the City of Morro Bay staff described the Pre-Application Process as one where the "MOU between Duke Energy and the City of Morro Bay has continued to provide a productive process for communicating early input on the Project with respect to identified 'City Issues'." Since the February 28, 2000 City Council meeting when the MOU was approved, substantial activity has occurred that has furthered the dialog among Duke Energy representatives, City of Morro Bay staff (and environmental experts) and the public. This pre-application process has given the community an unprecedented opportunity to identify important issues and concerns that they would like addressed when Duke Energy resubmits its revised Project to the Commission in the fall of 2000. The following provides a summary of the pre-application activities by the review team as well as input received through the public workshops and feedback forms provided by the City of Morro Bay.

To further enhance the opportunities in the Pre-Application Process, the City of Morro Bay assembled a team of staff members and outside consultants to identify issues, develop positions and coordinate their efforts with Duke Energy with respect to the revised AFC. During the month of April 2000, several meetings were held with the City of Morro Bay review team and Duke Energy representatives and their consultants to focus on the core of concerns. The City of Morro Bay review team then prepared preliminary recommendations on nine issue areas which include flooding, transportation/circulation, noise, cultural resources, facility closure and alternatives, on-site biological resources, socioeconomics, geological resources, visual and landscaping. These draft recommendations were then distributed in anticipation of the public workshops in mid May 2000.

The City of Morro Bay and Duke Energy launched a widespread outreach effort to inform the community and surrounding areas of the upcoming workshops and encouraging their involvement. A 30-minute video was produced and aired on local cable Channel 54 summarizing the Pre-Application Process to date and announcing the workshops. Other outreach efforts included advertisements in the local weekly newspaper, press releases to other newspapers and radio stations, presentation to the San Luis Obispo County Board of Supervisors, flyers mailed to every resident, business and post office box in Morro Bay, personal deliveries to key community locations and a special community letter from Duke Energy.

The first of the three May 2000 public workshops was a panel discussion format led by the City of Morro Bay and their consultants. This was intended to provide a broad overview of the issues developed by the City of Morro Bay review team. The balance of the workshops were presented in a roundtable fashion which allowed the public a one-on-one style interaction with the City of Morro Bay review team and Duke Energy and its representatives. Duke Energy supplied numerous visual displays from traffic to landscaping and site layouts. Participants were greeted in the foyer with a Duke Energy short video of three-dimensional simulations of the Project site and evolution of the various phases of the Project. During the workshops, participants were encouraged to fill out and return an in-depth feedback form. The feedback forms were also an attempt to solicit comments from the public about concerns not yet identified, their preferences in landscaping concepts, site layouts and more. For members of the community that were not able to attend the workshops, all three workshops were taped and televised on local cable Channel 54 for several weeks after the event.

Technical experts and other representatives present at the public workshops included the following:

**Technical Experts and Other Representatives
at Workshops representing Duke Energy**

Mark Seedall	Director of Modernization, Duke Energy
Andy Trump	Director of Modernization, Duke Energy
Bob Cochran	On-site Project Manager, Duke Energy
Wayne Hoffman	Environmental Manager, Duke Energy
Tom Williams	Public Relations, Duke Energy
Paul Curfman	Visual Expert, EDAW
Tina Metzger	Landscape Architect
Eric Walther	Public Health Expert, TRC Environmental Solutions
John Parker	Archaeologist
Bob Mason	Project Manager, TRC Environmental Solutions
Ted Muallem	Project Engineer, Duke-Fluor Daniel
Chris Cannon	Noise Expert, TRC Environmental Solutions

Technical Experts at Workshops representing the City of Morro Bay

Greg Fuz	Public Services Director, City of Morro Bay
Mathew Brooke	Noise Consultant, ArtnTek
Lauren Brown	Senior Biologist, SAIC
Gary Clay	Landscape Architecture Professor, Cal Poly San Luis Obispo
Bill Dohn	Noise Consultant
Clyde Ganes	City of Morro Bay Building Official
Robert Niehaus	Economic Consultant, RDN Associates.
Steve Orosz	Registered Professional Traffic Engineer, Penfield & Smith Engineers
Perry Russell	Senior Geologist/Hydrogeologist, SAIC
David Stone	Senior Project Manager & Archaeologist/Anthropologist, SAIC
Rob Schultz	Attorney, City of Morro Bay
Larry Kraemer	Civil Engineer, City of Morro Bay
Steve Sylvester	Civil Engineer, North Coast Engineering

The workshop efforts and ongoing dialogue with the City of Morro Bay were the basis for the Duke Energy June 21, 2000 presentation to the City Council at which Duke Energy's proposal for a single-phase Project was first described. Highlights of the letter included:

- Environmental benefits will accrue to the City of Morro Bay and region earlier than previously proposed.
- The existing plant will be demolished sooner. Duke Energy's goal is for the modernized plant to be operational by the year 2003, with a processing of the AFC by the participating parties within the time frame that will support such a schedule. It is possible that demolition of the existing plant could begin soon after operations at the modernized plant commence, and be completed in the 2007 time frame.
- A shorter construction period will lessen potential overall impacts associated with construction activities.
- Coastal access goals may be achieved sooner with more creativity and enhancement.
- Economic benefits as proposed by the MOU will begin to accrue to the City of Morro Bay at an earlier date.

On June 26, 2000, the Morro Bay City Council took action to accept the recommendations compiled by City of Morro Bay staff and convey these to Duke Energy. Since that time, City of Morro Bay staff and Duke Energy have continued to meet discussing items regarding the Project.

To this end, Duke Energy has expended a tremendous effort in addressing the community concerns in this revised application.

3.1.4 KEY FINDINGS OF PRE-APPLICATION PROCESS: CONCERN ABOUT "PUBLIC INFORMATION"

Duke Energy is taking many steps to ensure that the AFC reflects the City of Morro Bay's concerns, that the AFC's contents are accessible to the community, and that there are mechanisms in place to ensure that the City of Morro Bay can continue to meaningfully participate in the AFC process as it unfolds before the Commission.

First, Duke Energy has worked with the City of Morro Bay under an MOU, which has provided a meaningful way for the residents of Morro Bay to voice their concerns and opinions about Duke Energy's modernization effort.

Second, as a culminating step in the "Pre-Application Process" called for by the MOU, Duke Energy and City of Morro Bay representatives met on four occasions to preview the draft AFC. This effort was aimed at ensuring that the City of Morro Bay staff was well acquainted with the AFC prior to filing.

Third, the AFC must be written in a format that can be used in the Commission process, which requires in-depth and technical information that may not always be reader friendly. However, Duke Energy has attempted to write this AFC using additional summaries and introductory sections, and has attempted to use laymen's language to the extent feasible and practicable. This is an effort to make the AFC more reader friendly.

Fourth, throughout the AFC, Duke Energy has addressed key issues raised by the City of Morro Bay as part of the Pre-Application process.

Fifth, Duke Energy conducted an outreach session with members of the Latino community to solicit their input as to the most effective ways to disseminate information about the AFC both as it relates to the initial filing as well as throughout the Commission process. Because of this effort, Duke Energy intends to publish a series of fact sheets in Spanish and distribute them via recognized Latino community leaders.

Sixth, Duke Energy has provided \$35,000 to the City of Morro Bay for a preliminary traffic study for the Highway 41 ahead of any determination of traffic impacts for the Project at this location. However, Duke Energy sees this as another example of proactively working with the City of Morro Bay to address a potential impact associated with the modernization effort.

Seventh, Duke Energy has made a series of presentations recently to the community updating them on the revised Project. Once the AFC is filed, Duke Energy will continue its presentations and information outreach highlighting key city issues contained in the AFC. These presentations include in part:

- Quota Club
- City of Morro Bay Harbor Advisory Board
- Bay Osos Kiwanis
- City of Morro Bay Public Works Advisory Board
- Merchants Association
- City of Morro Bay Recreation & Parks Commission
- City of Morro Bay Planning Commission
- Morro Bay Kiwanis Club
- City of Morro Bay Community Promotions
- Morro Bay City Council
- Lions Club
- Baywood Park Oktoberfest
- Morro Bay Fishermen's/Farmers Market

Eighth, Duke Energy, in response to City of Morro Bay's requests, has agreed to fund the City of Morro Bay's staff, technical consultants and legal staffs cost associated with the pre-AFC filing process. To date, Duke Energy has reimbursed the City of Morro Bay with over \$600,000 to ensure that its interests are taken into account in preparation of the AFC. Furthermore, the City of Morro Bay has indicated that it will incur an additional \$100,000 through the filing of the AFC.

Ninth, to ensure a smooth transition from the existing Cost Reimbursement Agreement (CRA), Duke Energy is working with the City of Morro Bay on a new agreement to cover its costs associated with being a respondent to the licensing application and implementing the agreements called for in the MOU. This new proposed CRA is for an additional \$400,000 on top of the \$600,000 that will be incurred before the AFC filing. Duke Energy is proactively addressing this matter in advance of the AFC filing date to ensure that the City of Morro Bay has the means to expeditiously review and respond to Duke Energy's licensing application. One important aspect of the proposed CRA is that the City of Morro Bay will have a budget in place to fund outreach efforts to its citizens that it deems appropriate and reasonable, and apply these costs to the

Commission/AFC agreement budget. These outreach costs (including the video taping of workshops) are included as part of this budget.

Tenth, the City of Morro Bay expressed concern about construction activities, and the need for residents to be able to get timely updates and to get in touch with a Duke Energy representative if their concerns warrant that step. Duke Energy agrees to establish a construction telephone "hotline" that will provide periodic updates on the construction activity occurring at the time as well as provide a mechanism for a concerned resident to get in touch with a Duke Energy representative if needed.

3.2 DUKE ENERGY'S INTERACTION WITH REGULATORY AGENCIES

In addition to working with the City of Morro Bay, Duke Energy is working within an overall regulatory framework for the Project. Central to this regulatory framework is the Commission's-Energy Facility Siting Process, which is a yearlong comprehensive investigation of the engineering and environmental aspects of new power plant projects in California. AFC's are required for all those proposed thermal power plants in excess of 50 megawatts. The Commission has also attended numerous meetings in Morro Bay to explain the Commission's procedure.

While the result of the Commission's certification process is a single permit for construction of a facility, the Commission's certification is dependent on several individual regulatory agency permits including but not limited to applicants such as Duke Energy obtaining permits and consultation with the following agencies (see also Chapter 7.0 - LORS):

- Regional Water Quality Control Board
- San Luis Obispo County Air Pollution Control District
- California Dept of Fish and Game
- U.S. Fish and Wildlife Service
- National Marine Fisheries Service
- Native American Heritage Commission
- California Coastal Commission
- California Independent System Operator

In addition to Duke Energy's consultation with these agencies, Duke Energy and its consultants are also involved in team efforts focused on study and review of the Project's effects on marine resources. Accordingly, a Technical Working Group (TWG) made up of representatives of Duke Energy and key agencies (California Energy Commission, California Regional Water Quality Control Board, California Coastal Commission, California Dept of Fish and Game) was formed

in the spring of 1999. This group of about ten advisors meets approximately monthly to review Project progress on analysis of thermal and marine resource impacts. The TWG guides the development of reports that document the analysis of impacts, in compliance with the federal Clean Water Act (see also section 7.0). The final result of the group's deliberations is the National Pollution Discharge Elimination System permit for the Project. While the TWG's format for analytical documentation is highly technical, it provides the basis for a broader discussion in the community of the effects of the Project on marine resources (see also Section 6.5 - Water Resources and 6.6A - Marine Biological Resources). The public has been invited to submit comments to the TWG on its assessments related to marine biology.

3.3 DUKE ENERGY OUTREACH EFFORTS

The Duke Energy outreach program began early in development of the first AFC. The program is extensive and wide ranging in its scope of activities and goes far beyond the public information format of applications to the Commission. Typically, applicants with power generation proposals engage with the Commission in a year long series of informational hearings, public workshops, and formal hearings. While it is Duke Energy's responsibility to participate in these activities and to open up normal channels of communication with the community, Duke Energy has chosen to make its public outreach efforts an integral part of the Project planning process. Perhaps the greatest benefit of Duke Energy's outreach program has been its ability to work very closely with the City of Morro Bay on all aspects of Project development of the plant modernization.

The following is a brief description of public participation techniques used in the Duke Energy outreach program. See Appendix 3-1 for pertinent documents regarding this program.

After purchasing the MBPP in July 1998, Duke Energy launched its community outreach activities in March 1999 with presentations made to three focus groups consisting of over forty local and community leaders. Plans for the modernization were explained as well as preparations for the open house which took place on March 25, 1999. More than 750 Morro Bay and San Luis Obispo citizens visited the plant during Duke Energy's open house where plant personnel explained the details of the initial modernization plans Duke Energy had established for the facility. This initial public forum and subsequent Duke "Chats" also made clear to the local community Duke Energy's "open door policy" regarding public involvement in planning the modernization.

To maintain the momentum of the open house and to keep the public informed of modernization progress, Duke Energy engaged throughout 1999 in a series of "Community Letters" posted on Duke Energy's web page (dena.duke-energy.com/california/). These letters focused on progress made on Duke Energy's first AFC to the Commission. In May 1999, Duke Energy initiated "Duke Chats" from 4 - 6 p.m. every Thursday at the gatehouse to make it easier for area residents to obtain information about Duke Energy's plans for the future. The most common questions generated at the chats have been:

- "What has Duke Energy done to ensure that there are no public health impacts of modernization?"
- "How does Duke Energy handle hazardous chemicals on its site?"
- "How will the plant modernization change the Morro Bay landscape?"
- "Do you plan to take down the other two stacks (that serve Units 3 and 4)?"
- "Do you have photos of how the site will look after the modernization?"
- "Will the power plant site produce more emissions as a result of the modernization?"
- "How will the project affect the ocean environment?"
- "How will the City of Morro Bay benefit financially from the project?"
- "Will the benefits of the modernization happen if the project does not get approved?"

These and other questions were answered at the chats; answers to the questions were also posted on Duke Energy's web page.

Duke Energy also initiated a series of "neighborhood chats" in people's homes and driveways to talk about the plant modernization. Usually on a Sunday from 1-3 p.m., twelve such chats were conducted in early 2000. The following individuals from the plant participated in these chats: Tom Williams (Public Affairs Manager), Steve Goschke (Plant Manager), Cathy Novak (Consultant), Ervin Poteat (Chemist), and Barbara Engel (Engineer). About 200 local residents were engaged in the neighborhood chats.

In all, Duke Energy put together thirteen letters to the community from the time it bought the MBPP through June 2000. Perhaps the most important event of the entire public participation process was Duke Energy's agreement to withdraw its initial AFC in November 1999. This decision resulted in numerous in depth discussions with City of Morro Bay officials which set the stage for the series of workshops in May 2000 on the radical changes to be made to Duke Energy's original proposal (see also 3.1.3 - Implementing the Pre-Application Process). As part of this revised modernization planning process Duke Energy also redoubled its efforts to both broaden and deepen its public participation activities. In this regard, Duke Energy established

the Environmental Leaders Group meetings, reached an agreement with the San Luis Obispo County Chumash Council (SLOCCC) on site investigations, and developed a specific Latino Outreach Program.

While these public outreach efforts have clearly demonstrated Duke Energy's willingness to engage the local community in meaningful dialogue, they also underscore Duke Energy's ability and commitment to make the hard decisions, to back away from previous thinking about the Project, and to take the community seriously as a partner in building the modernized power plant.

Future interactions with the City of Morro Bay and the larger community will continue but with a focus on the AFC process which will entail review of the AFC by the Commission staff, discovery phase AFC review by the Commission and agencies with jurisdiction, public field trips, workshops and hearings.

3.4 MORRO BAY BUSINESS ADVISORY COMMITTEE

In January 2000, the Duke Energy formed a Business Advisory Committee that meets once per month. The Committee is made up of thirteen local businesses representing the commercial districts and differing services offered throughout Morro Bay. As part of Duke Energy's outreach program, the Committee was established to educate local businesses about the modernization Project, provide a forum to update businesses as to changes in the Project, identifying any construction related impacts and to seek their input as to how best to address any potential impacts during the Project.

Over the course of the past several months the Committee has provided valuable input to Duke Energy. In addition the Committee members have assisted Duke Energy by placing notices of upcoming public workshops in their businesses to inform and encourage public participation at of the meetings. Several businesses have opened their doors for "Business Chats" that allow Duke Energy to set up an informational display and be available to answer questions to visiting customers. The Committee will continue to be a resource for Duke Energy for upcoming announcements and other beneficial information.

3.5 COUNTYWIDE OUTREACH EFFORTS

Duke Energy purchased the MBPP in the summer of 1998 and made their first announcement to modernize the facility that December. Since then, Duke Energy has made a concerted outreach effort to meet with local and statewide elected officials, key community leaders, service clubs and organizations and representatives from diverse populations to provide information about the company, current plant operations and the modernization Project. Outreach efforts have been comprehensive including formal presentations and meetings, tours of the power plant, several open houses, newspaper advertisements, and various mailings.

The countywide outreach effort has and continues to be broad-based including various stakeholder groups such as environmentalists, farmers and agricultural representatives, Advisory Councils and Community Services Districts located in surrounding unincorporated areas, the business community and chambers of commerce, local union and labor force representatives, statewide and local regulators, educators, Latino residents, SLOCCC and other Native Americans, local county and city elected officials and administrative staff, to name a few. A list of individuals and organizations that receive periodic ongoing briefings by Duke Energy is shown below.

Duke Energy is committed to maintaining communication with all of these representatives and stakeholder groups. Information and presentations will continue to focus on updates and substantial announcements.

Presentations to State and Local elected officials and administrators:

- Congresswoman Lois Capps and administrative staff
- Senator Jack O'Connell and administrative staff.
- Assemblyman Abel Maldonado and administrative staff
- San Luis Obispo County Board of Supervisors - Additional briefings have been scheduled with District Two Supervisor Shirley Bianchi. The MBPP is located in District Two.
- Mayors from the seven incorporated cities in San Luis Obispo County
- San Luis Obispo County Administration - Periodic briefings are provided to the County Administrative Officer, County Administrative Analyst, County Auditor, and County Planning Director.
- Los Osos Community Services District – Duke Energy has assigned a key contact employee to attend the Los Osos Community Services District meetings and provide periodic updates and answer questions.

- Cayucos Advisory Council - Duke Energy has assigned a key contact employee to attend the Cayucos Advisory Council meetings and provide periodic updates and answer questions.
- North Coast Advisory Council - Duke Energy has assigned a key contact employee to attend the North Coast Advisory Council meetings and provide periodic updates and answer questions.
- San Luis Obispo County Office of Education – Meeting with San Luis Obispo County Superintendent of Schools, Julian Crocker.

Presentations to local agencies:

- San Luis Obispo County Air Pollution Control Board Chief Officer and staff.
- Regional Water Quality Control Board administrative staff.
- San Luis Obispo County Public Health Department Director and staff.

Presentations to area agencies, organizations and service clubs:

- San Luis Obispo County Farm Bureau Board of Directors and administrative staff.
- Chambers of Commerce. Presentations have been made to the following chambers of Commerce; Cambria, Cayucos, Morro Bay, Los Osos, San Luis Obispo, Arroyo Grande, and Grover Beach.
- Economic Vitality Corporation Board of Directors and Executive Director.
- Local Labor Unions. Presentation to local labor union representatives from IBEW and Plumbers and Pipe Fitters.
- Local Latino Community Members. Presentation to local countywide Latino community members.
- Rotary Clubs. Presentations have been given to Rotary Clubs in Morro Bay, Paso Robles, Cambria, Cayucos, San Luis Obispo (2 clubs).
- San Luis Obispo County Chumash Council and other Native Americans representatives.
- San Luis Obispo County Health Commission.
- Lions Clubs.
- Elks Club.
- Building Contractors Association.
- Ag Task Force.
- Visitors and Conference Bureau Administrative staff.
- Cuesta College.
- California Polytechnic Institute, San Luis Obispo.

3.6 ENVIRONMENTAL LEADERS GROUP

In the fall of 1999, Duke Energy identified the need to develop a communication process that would provide accurate information and an opportunity for dialogue with local environmental representatives in San Luis Obispo County. On December 6, 1999, the company hosted the first Environmental Leaders Group (ELG) session and invited credible and well-respected leaders from the environmental community to attend. The goal of the meeting was to determine if there was an interest to participate in periodic sessions and provide factual and scientific presentations and discussions on issues pertaining to current plant operations and the modernization project. ELG attendees were enthusiastic and voiced an overwhelming desire to participate in ongoing meetings.

Since the December 6 meeting, seven sessions have occurred highlighting presentations from experts and local regulators on specific topics related to both current plant operations and the modernization Project. In addition to these sessions, supplemental meetings will be scheduled to allow ELG members an opportunity to review the AFC filing and provide input to Duke Energy on specific chapters. Chapters of interest include Air Quality, Public Health, and Biological and Water Resources. Duke Energy has supported these meetings by hosting, planning, attending and providing follow-up on items requiring response.

The ELG meetings have provided a vehicle for direct access from key environmental leaders and organizations to Duke Energy management and vice-a versa. Duke Energy and ELG members have agreed that these sessions are not intended to garner support or approval of the modernization Project but for the purposes stated above.

In an effort to facilitate productive discussions the ELG chose to develop a purpose statement, group composition, rules of engagement and ground rules to use as a guide and reference point. These are outlined below.

Purpose:

Provide Duke Energy representatives and selected environmental leaders with an open and direct channel of communication to exchange scientific information regarding the modernization and ongoing operations of Duke Energy's MBPP.

The face-to-face contact and the opportunity to build trusting relationships will give everyone the chance to express concerns about environmental impacts of the power plant operations, hear others' perspectives on various issues, and suggest new ideas for consideration.

Group Composition:

Participants have been invited by Duke Energy to be a part of discussions for the reasons described in the statement of purpose. The ELG is composed of selected reputable environmental leaders and organizations that have a history of environmental stewardship in San Luis Obispo County (*Refer to ELG Matrix*). Each organization has one member representing it and an alternate. The group is nonvoting and the meetings are not public. Each member will be responsible for functioning as a liaison bringing questions, issues and concerns from their organization to Duke Energy and providing updates on information regarding issues related to operations and the modernization Project.

Rules of engagement:

Ensure the opportunity for open dialogue and participation from everyone, ELG members established their own set of rules of engagement. The forum is an avenue for two-way communication between Duke Energy and ELG participants. It is not a format for political or one-one debates. Individuals are encouraged to raise questions related to ongoing plant operations and the Project. In addition to the Rules of Engagement, ELG participants developed and agreed to the following ground rules listed below:

- Honesty
- Punctuality
- Civility
- Information sharing
- Accountability -
 - a. Accurate representation of information presented
 - b. Share information with your organization and gather information to share back with the group
- Listen without interrupting
- Allow time for individuals to express themselves
- Preset agenda items with the group and circulate
- "Tickle list" - prioritize list of topics that have been presented and those for future discussion. At the end of each meeting, set the topic/items for next meeting and identify availability of resources for presentations.
- There will be opportunities for guest presenters to be invited to participate during discussion of specific topics.
- New topics/items – send any new potential discussion items to Karen Tacket or James White to add to the "tickle list."

- In between meetings, ELG members will use electronic communication to obtain answers or information if they have questions and/or issues to discuss.

Environmental Leaders Group (ELG) Matrix:

- San Luis Obispo County Air Pollution Control District
- Bay Foundation
- California Native Plant Society
- Central Coast Natural History Association
- Environmental Volunteer
- Environmental Defense Center/ECOSLO
- Estero Conservation Alliance
- Friends of the Estuary
- Los Osos Community Services District
- Morro Bay National Estuary Program
- Morro Coast Audubon Society
- Morro Estuary Greenbelt Alliance
- People for the Nipomo Dunes
- Rancho El Chorro/SLO County Office of Education
- Regional Water Quality Control Board
- San Luis Obispo County Health Department
- The Nature Conservancy

**3.7 SAN LUIS OBISPO COUNTY CHUMASH COUNCIL/DUKE ENERGY
MEMORANDUM OF AGREEMENT**

Duke Energy and the SLOCCC have entered into a Memorandum of Agreement (MOA) to assure protection and preservation of cultural resources. The City of Morro Bay and the SLOCCC urged Duke Energy to address concerns of local Native American groups. Both the City and the SLOCCC were interested in having Duke develop an agreement with the Council, which would allow them to function as a conduit for other Native American groups before the filing of the AFC. With the AFC, Duke Energy is describing the MOA publicly for the first time. The MOA documents the intention of the parties to "cooperate and address all issues in a cooperative manner designed to facilitate the construction of the proposed project while assuring the protection and preservation of Native American burials and cultural resources and the protection and preservation of Native American sites and other cultural materials."

Specifically, in the MOA the parties agreed to: "(1) perform pre-construction cultural, archeological, and geoarcheological testing to identify any areas of cultural sensitivity; (2) use appropriate diligence in identifying known site boundaries; (3) meet, discuss and confer on the

Chumash Council's input and recommendations on construction techniques for each type of ground disturbing activity that could impact Native American cultural resources and shall confer on the proposed designs and plans for the proposed project to allow for the avoidance of Native American human remains, grave goods, cultural resources, other cultural materials and sites which may be encountered during proposed project activities; and (4) cooperate in the scheduling of work and coordination of Local Chumash Observers whose heritage flows from the area now known as San Luis Obispo County (Local Chumash Observers)." Duke Energy has also committed to place a cultural resource conservation easement over an existing cultural resource site upon completion of all regulatory review, receipt of all required permits, and Duke Energy's decision, at its sole discretion, to proceed with the Project.

Duke Energy has already implemented these conditions with recent geotechnical work at the site from July 5 - 13, 2000. A preliminary geotechnical report has been completed with information to be used for seismic design of supports, foundations and structures as well as to determine elevation, grading and flooding issues and to assist in biological and wetlands surveys. Much of this information will prove very useful when used in conjunction with the location of known cultural sites.

3.8 LATINO OUTREACH EFFORTS

Duke Energy has conducted an extensive outreach program targeted to residents of the City of Morro Bay, elected officials locally and statewide and key groups and agencies throughout the County of San Luis Obispo since announcing their plans for the modernization Project of the MBPP in December, 1998. The outreach effort has targeted a diverse group of stakeholders which include but are not limited to: the business community, elected officials at the State and Local levels, regulators, environmental leaders, Advisory Councils in the unincorporated areas of the county, Chambers of Commerce, service clubs, the SLOCCC and City Managers countywide.

One group of residents that Duke Energy is interested in communicating with as they proceed with the AFC process to the Commission are Latinos who live and work in San Luis Obispo County and are monolingual. To meet this objective, Duke Energy hosted an information session on August 14, 2000 with eleven monolingual Latinos from throughout the county who are long time residents. See the "Report on Information Session with members of the Latino community" - Attachment "A" letter of invitation and Attachment "B" list of participants and background information that is included in Appendix 3-1.

A Snapshot of San Luis Obispo County's Latino population:

In November 1999, the UCSB Economic Forecast Project estimated in The 2000 San Luis Obispo County Economic Outlook Report the population of San Luis Obispo County to be 242,100. Latinos represent 15.1 percent of the total population of the County and these numbers are due to be revised based on results from the recently conducted Census completed in April 1999. The Economic Outlook Project Report further states that the percentage of births born to Latino parents is steadily rising in all Southern California Counties. A similar trend is expected to remain in place in San Luis Obispo County in the foreseeable future. As an example, the latest year in which UCSB's Forecast Project has definitive ethnicity information is 1997 when 695 or 27.9 percent of all births in San Luis Obispo County were Latino.

Objectives for Information Session:

The objectives for the information session were as follows:

- To determine the familiarity of participants with the MBPP and the modernization Project.
- To provide information on plant operations, the modernization Project and the application permit process with the Commission.
- To identify how monolingual Latinos obtain their news and information on community issues.
- To obtain suggestions and recommendations on the best methods of communicating with monolingual Latinos about the MBPP modernization Project.

Information Solicited:

The entire session hosted by Duke Energy was conducted in Spanish and translation services were provided. A tour of the plant given by bilingual staff was a highlight. The presentation on the modernization Project, and the Commission's AFC process and time line was most informative.

The discussion facilitated in Spanish included a questionnaire designed to solicit information from participants in five areas. These were related to obtaining information on their familiarity with MBPP and the modernization Project and determining the best methods of communicating with Monolingual Latinos. See Attachment "C" Questionnaire - Discussion Questions on Best Methods of Communication with Monolingual Latinos in Appendix 3-1. The five are as follows:

- Familiarity with the MBPP and the modernization Project.
- Exploration of how they currently obtain news and information about community issues.

- Obtaining recommendations on best methods to utilize when communicating information about the modernization Project to the Monolingual Latino community.
- Identifying what type of information regarding the modernization Project would be most important for Duke Energy to provide.
- Determining the frequency by which this information should be communicated.

Findings:

Duke Energy asked a series of specific questions seeking to determine how familiar these individuals are with the MBPP and modernization Project. In addition, we focused on identifying how Monolingual Latinos obtain news and information about the community in their daily lives. The following represent those findings.

Familiarity with MBPP and the modernization Project:

- Individuals who participated in the information session were not familiar with the MBPP nor the modernization Project and only one individual had previously visited the plant.
- The majority of the group was under the impression that the MBPP was a nuclear facility similar to PG&E's Diablo Canyon Nuclear Power Plant.
- Participants by and large were not aware of the energy crisis.
- Most thought the siren system managed by San Luis Obispo County, as part of the emergency response plan, was related to the MBPP and had no knowledge about a proper response.

Important sources for obtaining news and information:

- The primary local newspapers are written in English only and are not used as a source of information.
- Spanish language television and radio are the primary vehicles for disseminating information to monolingual Latinos.
- Newsletters, flyers, direct mail, the Internet and mailers the children bring home from school are not effective communication tools even when they are in the Spanish language.
- Churches are a major source of information about the community for monolingual Latinos and their families since they are such an integral part of their life. They do not, however, believe this is an avenue that would be available to the MBPP modernization Project.

- Local Public Access Television is not watched by monolingual Latinos since it is broadcast in English.
- An important method of communicating information to the Monolingual Latino community is through "gatekeepers," individuals who are recognized Latino leaders. Examples are priests, teachers, local advocates and others who speak Spanish and are in regular contact with the Latino communities.

Recommendations from Latino Community Members:

The recommendations made by participants for Duke Energy to consider as part of the licensing process are based on conditions that are fundamental to their every day living experience. These are discussed above in the Findings section. They were then asked to provide suggestions and recommendations to Duke Energy on the most effective methods of communication regarding the modernization Project. These are not listed in order of priority. The recommendations are as follows:

- Provide tours of the plant for the Latino Community.
- Provide headers in Spanish for the MBPP modernization video.
- Translation of technical documents, AFC application and various reports are **not** recommended: Developing fact sheets is sufficient.
- Develop a series of fact sheets.
- Communicate milestones of the Project.
- Utilize Spanish language radio and television as a means of communicating countywide.

Duke Energy is very grateful to the Latinos who participated in the informational session for the wealth of valuable information they provided. Likewise, the participants expressed their gratitude for being invited to this type of session. "Seldom are we asked for our opinions by corporations, governmental agencies or others in the community and we thank you for including us" stated Estella Vasquez one of the participants. The group echoed her sentiments.

Duke Energy intends to explore the recommendations made by participants and develop a communications plan targeting the monolingual community in the near future.

In summary, Duke Energy has exerted a tremendous effort throughout the City of Morro Bay and County of San Luis Obispo to submit an AFC that reflects a community-based designed Project. In continuing with this commitment, Duke Energy will be using many of the same outreach efforts as described in this chapter as part of the AFC process.